

**Foremost Insurance Company Grand Rapids, Michigan
California
Derivation of Indicated Refund**

Month	April	May	April	May	April	May
Product	Antique & Modified Auto*	Antique & Modified Auto*	Motorcycle**	Motorcycle**	Motor Home	Motor Home
(1) Target Combined Ratio	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
(2a) Commissions and Brokerage	33.6%	33.6%	14.4%	14.4%	15.4%	15.4%
(2b) All Other Underwriting Expenses	18.7%	18.7%	19.6%	19.6%	21.2%	21.2%
(3) Target Loss & ALAE Ratio	42.7%	42.7%	61.0%	61.0%	58.4%	58.4%
(4a) Estimated Non-Recoupable Expenses	39.1%	39.1%	19.9%	19.9%	20.9%	20.9%
(4b) Estimated Recoupable Expenses	13.2%	13.2%	14.1%	14.1%	15.7%	15.7%
<u>COVID-19 Estimates</u>						
(5a) Frequency Decrease	53%	35%	44%	26%	22%	26%
(5b) Severity Increase	0%	0%	10%	10%	0%	0%
(6) Adjusted Loss & ALAE Ratio	20.1%	27.8%	37.6%	49.7%	45.6%	43.2%
(7) Indicated Refund	27.7%	18.3%	29.0%	14.0%	16.2%	19.1%
(8) Selected	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

Notes:

Line (2): Program-Specific Expense Information

(3) = (1) - (2a) - (2b)

(4a) Non-Recoupable expenses are estimated as roughly 5.5% in addition to Commission and Brokerage

(4b) = (2a) + (2b) - (4a)

(5a) Estimate based on monthly reported claim frequency change from 2019 to 2020, See Exhibit Page 2

(5b) Rough estimate based on media reports of increased speeding and severe accidents on less crowded roads for certain vehicles

(6) = (3) * [1 - (5a)] * [1 + (5b)]

(7) = 1.00 - [(6) + (4a)] / [(1) - (4b)]

* Includes combined information for the Antique and Classic Auto Program and the Modified Auto Collectors Program.

** Motorcycle informaton is combined for the Motorcycle Programs for Foremost Insurance Company Grand Rapids, Michigan and Foremost Property and Casualty Insurance Company

Foremost Insurance Company Grand Rapids, Michigan
California
Derivation of Indicated Refund
Estimation of Frequency Difference

Month	March	April	May	March	April	May	March	April	May
Product	Antique & Modified Auto*	Antique & Modified Auto*	Antique & Modified Auto*	Motorcycle**	Motorcycle**	Motorcycle**	Motor Home	Motor Home	Motor Home
(1a) 2019 Overall Claim Frequency	0.45%	0.65%	0.55%	0.17%	0.27%	0.25%	0.47%	0.60%	0.66%
(1b) 2020 Overall Claim Frequency	0.78%	0.21%	0.26%	0.18%	0.15%	0.20%	0.53%	0.35%	0.41%
(2a) 2019 Collision and Theft Claim Frequency	0.20%	0.50%	0.35%	0.15%	0.25%	0.23%	0.22%	0.26%	0.36%
(2b) 2020 Collision and Theft Claim Frequency	0.31%	0.16%	0.16%	0.16%	0.13%	0.17%	0.30%	0.12%	0.20%
(3) 2020 Collision and Theft Frequency Difference from 2019	0.11%	-0.34%	-0.19%	0.01%	-0.12%	-0.06%	0.08%	-0.13%	-0.17%
(4) Estimated Claim Frequency Change due to Pandemic	25%	-53%	-35%	7%	-44%	-26%	16%	-22%	-26%
Premium Refund Indicated	N	Y	Y	N	Y	Y	N	Y	Y

Notes:

- Line (1): Monthly reported claims divided by earned vehicle years, excluding towing-only claims
 (2) Monthly reported claim frequency for claims with Collision and Theft causes of loss only
 (3) = (2b) - (2a)
 (4) = (3) / (1a)

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